



LEGISLATIVE FISCAL OFFICE
Streamlining Commission Analysis

Recommendation No. **RECOMMENDATION 63**
Streamlining Draft **AGEB 32**

Date: December 29, 2009 12:07 PM	Author:
Dept./Agy.: Department of Health and Hospitals	Analyst: Shawn Hotstream
Subject: LaHipp	

Recommendation requires DHH to implement the provisions of the "Baby Bill", as well as the Louisiana Health Insurance Premium Payment Program (LaHIPP), and that DHH report to the Louisiana Legislature on a semi-annual basis its results to fully implement these programs.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

An increase in LaHIPP enrollees is anticipated to result in an overall cost avoidance of an indeterminable amount in Medicaid expenditures. This savings assumption is based on a requirement that the department will determine cost effectiveness as a condition of an individual or family enrolling in the program (cost less than what it would cost to cover that individual through the Medicaid program). Proposed recommendation requires the Department of Health and Hospitals to enroll more eligible individuals (newborns and/or family members) into the LaHIPP program. The recommendation directs the department to achieve increased enrollment in the LaHIPP program through the full implementation of the Baby Bill (Act 269 of 2004). This act requires hospitals to notify DHH and health insurers of the birth of a child when the hospital assumes that the newborn may be Medicaid eligible and is entitled to independent coverage under the parents' private insurance policies. The Louisiana Health Insurance Premium Payment (LaHIPP) program provides all or a portion of health insurance premium payments for certain families (families which include at least one member enrolled in Louisiana Medicaid) to use towards private insurance. These payment subsidies are intended for families that have insurance available through their employer.

For the fiscal year ending FY 2008/09, the program had a total of 707 LaHIPP cases. The average cost per case for that same year totaled \$2,938 (total LaHIPP premium cost of \$2,076,252 divided by the total number of LaHIPP cases of 707), which is less than the average annual cost of a Medicaid recipient (\$4,438) as reflected in the FY 07/08 Louisiana Medicaid annual report. For FY 08/09, the department has reviewed past claim data for this population for FY 08/09, which indicates that LaHIPP has resulted in a total cost avoidance of approximately \$3.5 M (comprised of both state and federal funds) for the Medicaid program. This net savings reflects the difference in what Medicaid would have paid if Medicaid was the primary insurer for the reviewed claims and the actual Medicaid paid amount for LaHIPP recipients (as Medicaid being the secondary insurer). Additionally, the savings amount discussed above nets the monthly premium payments made by Medicaid to the primary insurance company.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	H. Gordon Monk Legislative Fiscal Officer